

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
HEALTH AND RECOVERY SERVICES ADMINISTRATION  
Olympia, Washington**

**To:** Resource Based Relative Value  
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Blood Banks  
Emergency Physicians  
Family Planning Clinics  
Federally Qualified Health Centers  
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Kidney Centers  
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Midwives  
Nurse Anesthetists  
Ophthalmologists  
Physician Clinics  
Physicians  
Podiatrists  
Psychiatrists  
Radiologists  
Registered Nurse First Assistants

**Memorandum No: 06-06**  
**Issued:** February 23, 2006

**For information, contact Provider  
Relations at:**  
<http://maa.dshs.wa.gov/ProvRel/Index.html>  
800.562.3022

**From:** Douglas Porter, Assistant Secretary  
Health and Recovery Services Administration (HRSA)

**Subject: National Drug Code Required for Billing of Drugs Administered in the  
Provider's Office**

<p><b>Effective for dates of service on and after May 1, 2006</b>, all providers are required to use the 11-digit National Drug Code (NDC) when billing HRSA for drugs administered in the provider's office.</p>
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## **New Billing Requirements**

**Effective for dates of service on and after May 1, 2006**, HRSA will require providers to include the 11-digit NDC for any covered drugs administered in their offices.

## National Drug Code (NDC) Format

- The NDC is the 11-digit number the manufacturer or labeler assigns to a pharmaceutical product and attaches to the product container at the time of packaging.
  - ✓ The 11-digit NDC is ordered in a 5-4-2 grouping.
    - The first 5 digits comprise the labeler code assigned to the manufacturer by the Federal Drug Administration (FDA).
    - The second set of 4 digits is assigned by the manufacturer to describe the ingredients, dose form, and strength.
    - The last set of 2 digits describes the package size. [WAC 388-530-1050]
- The NDC **must** contain 11-digits in order to be recognized as a valid NDC. It is not uncommon for the label attached to a drug's vial to be missing "leading zeros."

**For example:** The label may list the NDC as 1234-567-89, when, in fact, the correct NDC is 01234-0567-89. Make sure that the NDC is listed as an 11-digit number, inserting any leading zeros missing from the 5-4-2 groupings, as necessary.

***HRSA will deny claims for drugs billed without a valid 11-digit NDC.***

## Electronic 837-P Claim Form

The HIPAA-compliant electronic 837-P claim form has a field for reporting the 11-digit NDC of any drugs (including any contraceptive supplies with an 11-digit NDC such as an IUD) administered in the provider's office.

Providers must continue to identify the drug given by reporting the drug's CPT™ or HCPCS code in the **PROFESSIONAL SERVICE Loop 2400, SV101-1 and the corresponding 11-digit NDC in DRUG IDENTIFICATION Loop 2410, LIN02 and LIN03**. In addition, the units reported in the "units" field in PROFESSIONAL SERVICE Loop 2400, SV103 and SV104 must continue to correspond to the description of the CPT or HCPCS code.

**For example:** If 2.4 mg of NovoSeven® is given, bill as follows (*not all required fields are represented in the example*):

Date of service	Procedure Code	Charges	Units	NDC
04/15/06	Q0187	\$3,034.08	2	00169706101

**Note:** If the 11-digit NDC is missing, incomplete, or invalid the claim line for the drug *will be denied*.

## HCFA-1500 Claim Form Billing Requirements

If you bill using a **paper** HCFA-1500 claim form for **two or fewer drugs on one claim form**, you must list the 11-digit NDC in field 19 of the claim form **exactly** as follows (*not all required fields are represented in the example*):

19. 00169706101 Line 2 / 00009737602 Line 3

Line	Date of Service	Procedure Code	Charges	Units
1	4/15/06	90782	10.00	2
2	4/15/06	Q0187	3,034.08	2
3	4/15/06	J1055	60.00	1

**DO NOT** attempt to list more than two (2) different NDCs in field 19 of the paper HCFA-1500 claim form. If you bill for more than two (2) different drugs requiring NDCs, you must list the additional drugs on separate claim forms.

If the 11-digit NDC is missing, incomplete, or invalid, the claim line for the drug *will be denied*.

## Kidney Centers Only

**Note:** The electronic 837-I and paper UB-92 claim forms will only accept a *maximum of 25 lines of NDC numbers per claim form*. If you are billing for **26 or more lines of drugs requiring different NDCs**, you must use additional claim forms. *HRSA cannot accept or process claims with more than 25 lines of NDC numbers per claim.*

## Electronic 837-I Claim Form Billing Requirements

If you are billing using an **electronic 837-I claim form** you must list the 11-digit NDC in **Loop 2410, Segment LIN03**.

## UB-92 Claim Form Billing Requirements

If you are billing using a **paper UB-92 claim form** for *four (4) or fewer different drugs requiring NDCs*, you must list the 11-digit NDC(s) in **form locator 84 (Remarks)** exactly as shown in the example below.

**Form Locator 84 (Remarks):** NDC 55513014810 = lines 1-12  
NDC 55513028310 = lines 13 and 16  
NDC 55513038310 = lines 19-21  
NDC 55513088810 = line 22

If you are billing for *more than four (4) different drugs requiring NDCs*, you must bill the additional NDCs/drugs on separate claim forms. You must not list more than four (4) NDCs per claim form.

## Billing Using an Unlisted Drug Code

If a valid CPT<sup>®</sup> or HCPCS code does not exist that describes the drug administered in the provider's office, you may bill for the drug using J3490 or J9999.

Claims *must* include:

- The dosage of the drug given (list in the *Comments or Remarks* field); and
- The 11-digit NDC of the drug given.

**Note:** When billing using J3490 or J9999 the units field **must equal one (1)**.

## Charges exceeding \$1,100

**Note:** For procedures that are priced at acquisition cost (AC) in the fee schedule, a manufacturer's invoice showing actual acquisition cost must be attached to the claim form when billed charges exceed \$1,100 per line item (including bills using J3490 or J9999).

## How do I conduct business electronically with HRSA?

You may conduct business electronically with HRSA by accessing WAMedWeb at <http://wamedweb.acs-inc.com>.

## How can I get HRSA's provider documents?

To obtain HRSA's provider numbered memoranda and billing instructions, go to HRSA's website at <http://maa.dshs.wa.gov> (click on the **Billing Instructions/Numbered Memoranda** or **Provider Publications/Fee Schedules** link).

To request a free paper copy from the Department of Printing:

1. **Go to:** [www.prt.wa.gov](http://www.prt.wa.gov) (Orders filled daily.)
  - a) Click **General Store**.
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